



2 Second Street
East Norwalk, CT 06855
Tel: (203) 866-9271
Fax: (203) 866-9856

Third Taxing District Application for Contribution from District Funds

This completed application will be reviewed for eligibility by District Staff and for approval by the Third Taxing District Commission. All information will be subject to review and dissemination under the state's FOI regulations for public records.

Overview

- District funds are maintained from the proceeds (when available) of the Third Taxing District Electric Department under a budget that is approved by the electors of the District at the annual meeting.
- Distributions from the District funds are intended to primarily benefit residents, businesses and rate-payers of the Third Taxing District.
- District funds are not intended to help with individual financial hardship requests, except as administered through a designated agency funded for that purpose.
- Decisions regarding fund disbursements are dependent upon timely, properly documented requests that meet the requirements of the "Third Taxing District Policy on Contributions from District Funds" and any applicable governing documents.
- All determinations made by the Commission shall be final and binding, and shall be made by the Commission in its sole discretion.

Full Name: ANDREW STRAUSS Rob Frazier Norwalk Tree Alliance	Date of Application: 18 July 2017
Legal Address: 215 East Avenue Norwalk, CT 06855	Needed by: SEPT 2017
Organization: Norwalk Tree Alliance	Preferred Phone#: 917 862 4567
Amount Requested: \$ 2,500.	Preferred Email: strawss99@gmail.com

Describe in detail your reason(s) for this request.

The Norwalk Tree Alliance wishes to continue the successful partnership with the Third Taxing District over the last two years in growing the tree canopy in East Norwalk and in enhancing the quality life of the community. Specifically, we are requesting a donation of \$2,500 for 2017-18 for the purchase and installation of trees in East Norwalk neighborhoods that lack tree canopy due to loss or neglect. A \$500 incremental increase is requested to maintain the quality and number of trees planned due to wholesale product costs in acquiring a more mature tree stock that will help to ensure a better a growth rate.

Attestation (check boxes)

Qualified

☒ I attest that my organization meets the stated requirements for a contribution from District funds and that this request is made to primarily benefit residents, businesses or rate-payers of the District.

No Conflict

☒ I attest that neither my organization, nor any individual associated with this request, represents a conflict of interest for any of the Commissioners, the Treasurer, the District Clerk or any of the employees of the Electric Department.

Should your request be approved, will you consent to be publicized? Y ☒ N ☐

By signing below, I verify that I understand the purpose of the Third Taxing District Funds and the requirements for contributions from these funds. I verify that the information provided in this application is true to the best of my knowledge.

Signature of authorized representative: Member NTA Board of Directors	Date: 18 July 2017
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Growing East Norwalk's Tree Canopy

A partnership of Norwalk Tree Alliance and Third Taxing District

Over the last two years, the Norwalk Tree Alliance has received two grants totaling \$4,000 from the Third Taxing District to plant trees in East Norwalk neighborhoods. Our common goal is to beautify and reforest neighborhoods that lack tree canopy due to tree loss or neglect. The program was designed to provide and plant young street trees at no cost to homeowners. Local landscaping companies donated their time and resources to install the trees.

Beginning in fall 2015, the Alliance planted 20 trees in East Norwalk, targeting streets that recently had been revitalized with new street pavement and sidewalks. Edlie, Fort Point and Emerson Streets were selected.

In this first year, two tree species were selected and planted for their good growth habit and appropriateness for the street landscape: the "October Glory" maple for its fullness and red fall color, and the "Regal Prince" oak for its columnar form and golden fall color. These two trees provided both flexibility and coherence for varying planting site locations.

This spring, with an additional TTD grant, NTA planted 15, more mature trees in the Marvin Beach-Gregory Blvd. neighborhood of East Norwalk, an area that had lost several trees in recent years to coastal storms. Two tree species were selected to provide diversity of size, structure and growth habit: the red oak and the Kousa dogwood.

The Norwalk Tree Alliance is grateful to the Third Taxing District for its continuing partnership in beautifying and improving the quality of life of East Norwalk neighborhoods, and for helping to ensure a healthy community and to sustain Norwalk's urban tree canopy.

Norwalk Tree Alliance - Third Taxing District Tree Planting Program, 2015-2017

Fall 2015

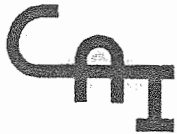
38 Fort Point Street	1 maple, 1 oak
39 Fort Point Street	1 oak
69 Fort Point Street	3 maples, 2 oaks
12 Edlie Street	1 maple
13 Edlie Street	1 maple, 1 oak
14 Edlie Street	1 maple, 1 oak
15 Edlie Street	1 maple
22 Edlie Street	1 maple
30 Edlie Street	1 maple
33 Emerson Street	1 maple
14-16 Cavray Road	2 oaks
18 Cavray Road	1 maple

20 trees total

Spring 2017

30 Edlie Avenue	1 red oak
3 Pine Hill Avenue	2 red oaks
6 Pine Hill Avenue	1 red oak
4 Pine Hill Avenue	1 red oak
12 Pine Hill Extension	2 Kousa dogwoods
5 Pine Hill Extension	1 Kousa dogwood
5 Wallace Street	1 Kousa dogwood
1 Hawkins Avenue	1 Kousa dogwood
4 Roland Avenue	1 Kousa dogwood
10 Ludlow Manor	1 Kousa dogwood
38 Fifth Street	1 red oak
40 Fifth Street	1 Kousa dogwood
53 Cove Avenue	1 Kousa dogwood

15 trees total



CRISTINO ASSOCIATES INC.
PO BOX 1238
REDDING, CT 06875
T 203-938-0500
F 203-938-0511

East Ave. Widening
mtgs. &
correspondence
for project

BILL TO:

Third Taxing District
PO Box 451
Norwalk, CT 06856

EAST AVENUE PROJECT

APPROVED FOR PAYMENT: 7/10/17

DATE:

G/L #: 923-45

TOTAL AMOUNT: \$4,330.00

APPROVED:

K. Scodell
7/10/17

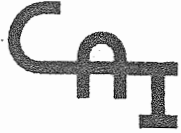
P.O. NUMBER	TERMS	PROJECT
Verbal	Net 30	16-1066 East Avenue Road ...

QUANTITY	DESCRIPTION	RATE	AMOUNT
2	Licensed Engineer - 5/24/17 Review e-mail correspondence from Joe Cristino (5.23.17 meeting minutes). Coordinate 6.12.17 DOT meeting	210.00	420.00
0.5	Licensed Engineer - 5/30/17 Review e-mail correspondence from Joe Cristino regarding 6/12/17 DOT meeting. Archive project drawings. Re-coordinate 6/12/17 DOT.	210.00	105.00
3	Licensed Engineer - 6/7/17 Teleconference Lucy Peterson to coordinate meeting/teleconference with Joe Cristino. Review project documents and plans. Print project documents and plans in preparation for the 6/12/17 meeting with CT DOT. Review e-mail correspondence from Melanie Genkus (CT DOT). Develop and submit e-mail correspondence to Mike Adams (TTD).	210.00	630.00
2	Licensed Engineer - 6/8/17 Teleconference Joe Cristino. Develop teleconference minutes. Develop and submit email correspondence to Mike Adams (TTD).	210.00	420.00
8	Licensed Engineer - 6/12/17 CT DOT meeting. Review e-mail correspondence from Trent Atkinson (DOT). Develop and submit e-mail correspondence to Joe Cristino. Develop teleconference minutes.	210.00	1,680.00
0.5	Licensed Engineer - 6/13/17 Develop and submit e-mail correspondence to Joe Cristino.	210.00	105.00
4	Licensed Engineer - 6/16/17 Review CT DOT drawings. Review East Norwalk aerial map. Develop and submit CT DOT UCM Draft Meeting Notes.	210.00	840.00
0.5	Clerical - 6/26/17	50.00	25.00
0.5	Licensed Engineer - 6/27/17 Teleconference Joe Cristino. Discuss Fort Point Street Railroad Bridge Meeting summary.	210.00	105.00

TIN 06-1309083

TOTAL

\$4,330.00



CRISTINO ASSOCIATES INC.
PO BOX 1238
REDDING, CT 06875
T 203-938-0500
F 203-938-0511

Digitizing and
updating prints
& schematics for
substations

BILL TO:

Third Taxing District
PO Box 451
Norwalk, CT 06856

General Engineering

APPROVED FOR PAYMENT: 7/10/17
DATE:
G/L #: 923-70
TOTAL AMOUNT: ~~16,500.00~~ 6,503.00
APPROVED: *R. Scoddy* 7/10/17

P.O. NUMBER	TERMS	PROJECT
Verbal	Net 30	17-1001 General Engineering

QUANTITY	DESCRIPTION	RATE	AMOUNT
8	CAD Technician - 6/1/17	65.00	520.00
	Update xfrm drawings		
8	CAD Technician - 6/2/17	65.00	520.00
	Update xfrm drawings		
7	CAD Technician - 6/5/17	65.00	455.00
	S/S xfmrs update		
6	CAD Technician - 6/6/17	65.00	390.00
	S/S xfmrs update		
1	Principal Engineer - 6/6/17	230.00	230.00
	Xfrm drawing review		
5	Field Technician - 6/7/17	70.00	350.00
	Field work		
4	CAD Technician - 6/8/17	65.00	260.00
	S/S xfmrs update		
1	Principal Engineer - 6/8/17	230.00	230.00
	Drawings/transformer paralleling scheme review & research		
2	CAD Technician - 6/9/17	65.00	130.00
	S/S xfmrs update		
2	Principal Engineer - 6/14/17	230.00	460.00
	East Ave S/S T1 Trip		
1	Principal Engineer - 6/15/17	230.00	230.00
	SATEC meter settings		
0	Principal Engineer - 6/20/17	230.00	0.00
	S/S transformer drawings review		
7	CAD Technician - 6/20/17	65.00	455.00
	S/S transformer drawings		
7	CAD Technician - 6/21/17	65.00	455.00
	S/S transformer drawings		
2	CAD Technician - 6/22/17	65.00	130.00
	S/S transformer drawings		
4	Principal Engineer - 6/26/17	230.00	920.00
	Walk Bridge project, Fort Point St RR bridge and electrical system rework; Rowan St RS 5 power factor		

TIN 06-1309083

TOTAL



CRISTINO ASSOCIATES INC.
PO BOX 1238
REDDING, CT 06875
T 203-938-0500
F 203-938-0511

Invoice

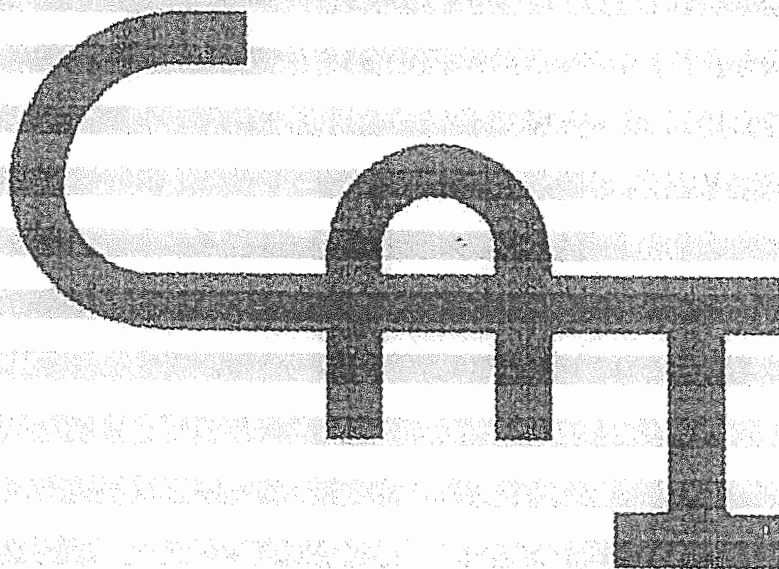
DATE	INVOICE #
7/1/2017	18035

BILL TO:

Third Taxing District
PO Box 451
Norwalk, CT 06856

P.O. NUMBER	TERMS	PROJECT
Verbal	Net 30	17-1001 General Engineering

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	CAD Technician - 6/30/17 SCADA I-line w/new title block	65.00	65.00
1	Principal Engineer - 6/30/17 Fitch 47R/ISO technical information update	230.00	230.00



TIN 06-1309083

TOTAL

\$6,030.00

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
July 10, 2017

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost, Debora Goldstein,

STAFF: Ron Scofield, Interim General Manager

OTHERS: Sarah Mann (ENIA) and Sylvia Archibald (Dir., East Norwalk Library)
Michael Cassella (Willow Brook Energy Partners)
Susan Rubinsky (Susan Rubinsky Marketing Consulting)
Matt Allred (Bliss Allred & Co.)

CALL TO ORDER

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

INTRODUCTION OF SYLVIA ARCHIBALD

Ms. Mann started off by giving the Commission an update on the 2017 Summer Programs scheduled for the Library. She then introduced Sylvia Archibald to the Commission and told them about her background and achievements, which included successfully obtaining a total of \$400,000 in grants since 2012, as well as winning awards for early literacy, technology and construction.

Ms. Archibald opened herself up to the Commission for Q&A. She also told them what her first three weeks at the library has entailed, including cleaning out and creating a “flow” to the library. She has finished reorganizing the Children’s Room and has invited everyone to come to the library to see her accomplishments. As she continues to improve the library, she is trying to maintain the “old world charm” while at the same time introduce new technology. Her biggest challenge in the role will be marketing, but has started to reach out to the community to inform them of the new programs taking place at the library and asking for their support. As for fundraising, Ms. Archibald does not view this as a challenge, but as a major priority for the library.

Third Taxing District
of the City of Norwalk
July 10, 2017

LIBRARY WINDOW SHADING PROPOSALS

Mr. Michael Cassella of Willow Brook Energy Partners spoke to the Commission about the recent request that Mr. Smith (former General Manager) had made with regard to the windows at the East Norwalk Library. Mr. Cassella has researched the alternatives to provide shading for the windows in order to cut down the glare and effect the sun has had on the books over the years. The three options included motorized shades, manual shades and window film. Mr. Cassella recommended that the best option for the library would be to install 3M Window Film on eight windows. This would be an easy installation, low cost, no maintenance and would yield energy savings. This measure qualifies as an approved application under the municipal C&LM program and therefore is reimbursable.

Mr. Cassella informed the Commission that one of the windows is cracked and needs to be replaced prior to the installation of the film and estimates the replacement to be approximately \$1,350 as it is a custom made window. There are also a four more windows in the Children's Room that should also have the film applied to them. Mr. Cassella estimates the cost for these windows to be approximately \$1,000.

The total estimated cost for the project is \$4,850.

**** COMMISSIONER YOST MOVED TO APPROVE \$4,850 \pm 10% FOR THE INSTALLATION OF THE 3M WINDOW FILM.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Commissioner Goldstein asked about the air conditioning in the library. Mr. Cassella's first recommendation is to have a Home Energy Savings audit performed on the library, which is already in progress. Mr. Cassella continued to discuss the A/C and recommended that the Commission look into three possible options – new A/C units, ductless heat pumps, or install Central A/C.

At this time, Commissioner Brown introduced Stephen Studer from Berchem, Moses & Devlin, TTD's new attorney, to the Commission.

DISTRICT BANNERS

Commissioner Brown introduced Susan Rubinsky to the Commission. Ms. Rubinsky has been working closely with Commissioner Brown on designing new district banners. Ms. Rubinsky, whose clients include Greater Bridgeport Transit, Norwalk Transit, Milford Transit, and various Government agencies, presented to the Commission several designs for new district banners. Some of the designs were illustrated while some were photos of various locations in the District.

Third Taxing District
of the City of Norwalk
July 10, 2017

DRAFT

Ms. Rubinsky and the Commission discussed at length the different designs and gave their opinions on their likes and dislikes. Commissioner Yost said that he liked the sailboat concept, but thought an oyster boat design might work. Commissioner Goldstein offered to send Ms. Rubinsky some photos that she has of different areas in the District, as well as some oyster boats.

The Commission discussed how many banners should be made up and whether or not they would be various designs or all of one design. The consensus leaned toward 100 banners that would all be the same.

Further discussion took place about the different vendors that submitted quotes to Commissioner Brown. Ms. Rubinsky informed the Commission that she had worked with several of the vendors and highly recommended Minuteman Press located in Norwalk.

Ms. Rubinsky will rework some new designs as illustrations and come back to the Commission in the near future with another round of designs.

MINUTES OF MEETING

June 19, 2017 Regular Meeting

**** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF JUNE 19, 2017 REGULAR MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

June 27, 2017 Special Meeting

**** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF JUNE 27, 2017 SPECIAL MEETING.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

June 30, 2017 Special Meeting

Noted correction on page 2, first paragraph. Motion should read as follows:

**** COMMISSIONER GOLDSTEIN MOVED TO APPOINT RONALD SCOFIELD AS THE INTERIM GENERAL MANAGER FOR THE PERIOD JULY 1, 2017 TO OCTOBER 1, 2017 OR UNTIL THE START DATE OF A PERMANENT GENERAL MANAGER IS HIRED. COMPENSATION FOR THE INTERIM GENERAL MANAGER RESPONSIBILITIES WILL BE \$1,200 PER MONTH FOR THE SAME PERIOD OF TIME.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District
of the City of Norwalk
July 10, 2017

**** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF JUNE 30, 2017 SPECIAL MEETING AS CORRECTED.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS

Mr. Allred reviewed the Financial Highlights with the Commission. Net Income was \$1,493,694, an increase of 47% over last year. The contribution to the Rate Stabilization Fund was \$189,501, which is much less than last year because the billing from CMEEC was reduced from 10.5 cents to 9 cents. Net Income Before Rate Stabilization was \$189,501, an increase of 38% or \$52,228 over the previous year, which was \$137,273.

Our Cash Incomes are in good shape. Capital Improvements Fund is at \$816,622 and Savings is at \$1,027,872 which is still being impacted by the Cervalis loan which was paid off early. Current Fiscal Year Capital Additions to Date is at \$849,643, which is mostly SCADA related purchases and the office renovation.

Mr. Allred reviewed the P&L Previous Year Comparison for July 2016 through May 2017 and thoroughly went through all the Footnotes.

KPIs – Mr. Allred reviewed the KPIs with the Commission. With regard to the Bad Debt Ratio reporting, he explained how the equation actually works and feels that the current reporting process is not accurate. He will work on finding an alternate way to report this percentage for future reports.

PCA Review – Mr. Allred reviewed the current PCA with the Commission. He explained to the Commission that since the Rate Stabilization contribution has been lowered and ultimately affects the revenue on the P&L, he recommends the Commission keep the PCA at its current rate of 2.3 cents and review it again in the future.

**** COMMISSIONER YOST MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM, EXECUTIVE SESSION – SALARY REVIEW.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

EXECUTIVE SESSION

- Salary Review

**** COMMISSIONER BROWN MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS SALARY REVIEW.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners and Mr. Scofield entered into Executive Session at 8:56 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners and Mr. Scofield returned to public session at 9:24 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE JIM SMITH'S RECOMMENDATION THAT THE CONTRACT CHANGES BE RECOMMENDED AND APPROVED BY THE COMMISSION, WHICH ARE AN ADDITIONAL TWO YEARS ON MR. SCOFIELD'S CONTRACT, A 4% INCREASE IN HIS BASE SALARY AND A CHRISTMAS BONUS EQUIVALENT TO ONE WEEK'S SALARY.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

**** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:27 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
July 10, 2017

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

**Third Taxing District
Financial Highlights
Jul-June 2017 vs. Jul-June-2016**

	Jul-June-2017	Jul-June-2016	\$ Change	% Change
Total Income	10,769,965	10,841,511	-71,546	-0.66%
Total Expense	10,739,920	10,806,248	-66,328	-0.61%
Net Ordinary Income	30,046	35,263	(5,217)	-15%
Other Income	453,807	486,690	-32,883	-7%
Other Expense	20,140	21,500	(1,360)	-6%
Net Income before Rate Stabilization	463,712	500,452	(36,740)	-7%
Rate Stabilization	1,303,720	974,464	329,256	34%
Net Income	1,767,432	1,474,916	292,516	20%

CASH BALANCES FY 2017

	Jun-17
ACCTS	
Operating Accounts	1,356,119
Construction WIP	39,704
Savings	976,779
Capital Improvements Fund	824,402

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2016	4,345,583
Current Balance	3,531,031
Current Fiscal Year Capital Additions to date	1,036,244

Power Supply	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 6,273,285	\$ 6,527,767	\$(254,482)	-4%
Budget Energy Cost	\$ 5,771,422	\$ 6,201,379	\$(429,956)	-7%
Energy Cost Cents/KWH	10.000	10.400	\$ (0.40)	-4%

Third Taxing District Profit & Loss Prev Year Comparison

June 2017

	Jun 17	Jun 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	18,261.20	21,673.55	-3,412.35	-15.74%
440-00 · Residential Sales	300,413.81	334,357.90	-33,944.09	-10.15%
442-01 · Large Commercial Sales	234,892.87	82,037.67	152,855.20	186.32%
442-02 · Small Commercial Sales	81,923.20	232,308.41	-150,385.21	-64.74%
445-01 · Water Pollutn Contrl Plnt Sales	91,504.83	94,987.05	-3,482.22	-3.67%
445-02 · Flat Rate	8,383.29	8,655.54	-272.25	-3.15%
557-00 · Purchased Power Adjustment	102,984.19	121,075.23	-18,091.04	-14.94%
Total Income	838,363.39	895,095.35	-56,731.96	-6.34%
Cost of Goods Sold				
555-00 · Electrical Power Purchased	480,602.25	535,454.26	-54,852.01	-10.24%
Total COGS	480,602.25	535,454.26	-54,852.01	-10.24%
Gross Profit	357,761.14	359,641.09	-1,879.95	-0.52%
Expense				
904-00 · Substation	21,707.82	27,805.86	-6,098.04	-21.93%
403-00 · Depreciation Expense	64,676.80	62,283.00	2,393.80	3.84%
408-00 · Taxes	4,349.76	2,282.96	2,066.80	90.53%
540-00 · Other Power Generation Expense	8,009.19	22,233.85	-14,224.66	-63.98%
580-00 · Distribution Expenses	25,050.92	24,044.30	1,006.62	4.19%
590-00 · Maintenance Expenses	76,059.62	51,979.81	24,079.81	46.33%
900-00 · Customer Accounts & Service	34,334.69	32,824.39	1,510.30	4.6%
920-00 · Administrative Expenses	170,648.27	166,818.38	3,829.89	2.3%
Total Expense	404,837.07	390,272.55	14,564.52	3.73%
Net Ordinary Income	-47,075.93	-30,631.46	-16,444.47	-53.69%
Other Income/Expense				
Other Income				
418-00 · Dividends	5,550.57	1,210.00	4,340.57	358.73%
419-00 · Interest Income	750.54	368.26	382.28	103.81%
421-00 · Norden Project Income	21,429.94	29,525.74	-8,095.80	-27.42%
423-00 · Gain/(Loss) from Sale of FA	0.00	1,825.00	-1,825.00	-100.0%
424-00 · Energy Conservation Fund Income	17,669.52	11,215.72	6,453.80	57.54%
Total Other Income	45,400.57	44,144.72	1,255.85	2.85%
Other Expense				
942-00 · Interest Expense	0.00	1,500.00	-1,500.00	-100.0%
990-00 · Miscellaneous items	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	1,500.00	-1,500.00	-100.0%
Net Other Income	45,400.57	42,644.72	2,755.85	6.46%
Net Income before rate stabilization	-1,675.36	12,013.26	-13,688.62	-113.95%
Rate Stabilization	24,607.16	96,763.71	-72,156.55	-74.57%
Net Income	22,931.80	108,776.97	-85,845.17	-78.92%

Preliminary Unaudited - Internal Use Only - Modified Cash Basis

Third Taxing District
Profit & Loss Prev Year Comparison
July 2016 through June 2017

	Jul '16 - Jun 17	Jul '15 - Jun 16	\$ Change	% Change	
Ordinary Income/Expense					
Income					
443-00 · Cervalis Data Center Revenues	233,174.56	216,393.22	16,781.34	7.76%	
440-00 · Residential Sales	4,119,434.87	4,182,856.05	-63,421.18	-1.52%	
442-01 · Large Commercial Sales	1,057,027.54	1,008,045.10	48,982.44	4.86%	
442-02 · Small Commercial Sales	2,732,709.81	2,767,779.39	-35,069.58	-1.27%	
445-01 · Water Pollutn Contrl Plnt Sales	1,047,125.47	1,055,163.91	-8,038.44	-0.76%	
445-02 · Flat Rate	102,255.69	104,089.23	-1,833.54	-1.76%	
557-00 · Purchased Power Adjustment	1,478,237.32	1,507,183.94	-28,946.62	-1.92%	
Total Income	10,769,965.26	10,841,510.84	-71,545.58	-0.66%	
Cost of Goods Sold					
555-00 · Electrical Power Purchased	6,273,285.11	6,527,767.83	-254,482.72	-3.9%	
Total COGS	6,273,285.11	6,527,767.83	-254,482.72	-3.9%	
Gross Profit	4,496,680.15	4,313,743.01	182,937.14	4.24%	
Expense					
904-00 · Substation	152,654.10	189,929.93	-37,275.83	-19.63%	Footnote 1
403-00 · Depreciation Expense	776,121.60	787,609.00	-11,487.40	-1.46%	
408-00 · Taxes	360,100.36	346,642.65	13,457.71	3.88%	
540-00 · Other Power Generation Expense	151,134.00	109,166.41	41,967.59	38.44%	Footnote 2
580-00 · Distribution Expenses	159,381.35	49,451.93	109,929.42	222.3%	Footnote 3
590-00 · Maintenance Expenses	561,790.90	512,002.02	49,788.88	9.72%	Footnote 4
900-00 · Customer Accounts & Service	288,693.61	257,994.86	30,698.75	11.9%	Footnote 5
920-00 · Administrative Expenses	2,016,758.70	2,025,683.30	-8,924.60	-0.44%	
Total Expense	4,466,634.62	4,278,480.10	188,154.52	4.4%	
Net Ordinary Income	30,045.53	35,262.91	-5,217.38	-14.8%	
Other Income/Expense					
Other Income					
418-00 · Dividends	30,189.75	32,581.88	-2,392.13	-7.34%	
419-00 · Interest Income	7,723.33	50,235.28	-42,511.95	-84.63%	Footnote 6
420-00 · Gain/(Loss) on Investments	41,178.72	-25,573.23	66,751.95	261.02%	Footnote 7
421-00 · Norden Project Income	286,553.91	328,843.25	-42,289.34	-12.86%	
423-00 · Gain/(Loss) from Sale of FA	4,598.95	12,431.42	-7,832.47	-63.01%	Footnote 8
424-00 · Energy Conservation Fund Income	83,562.00	88,170.94	-4,608.94	-5.23%	
Total Other Income	453,806.66	486,689.54	-32,882.88	-6.76%	
Other Expense					
426-30 · PERSON TO PERSON	20,000.00	20,000.00	0.00	0.0%	
942-00 · Interest Expense	140.09	1,500.00	-1,359.91	-90.66%	Footnote 9
Total Other Expense	20,140.09	21,500.00	-1,359.91	-6.33%	
Net Other Income	433,666.57	465,189.54	-31,522.97	-6.78%	
Net Income before rate stabilization	463,712.10	500,452.45	-36,740.35	-7.34%	
Rate Stabilization	1,303,719.78	974,463.62	329,256.16	33.79%	
Net Income	1,767,431.88	1,474,916.07	292,515.81	19.83%	

Third Taxing District
Profit & Loss Statement
Explanation of Major Variances
Jul-June-2017 vs. Jul-June- 2016

1. The decrease in the substation expense of \$37K is due primarily to Pete Johnson retiring as well as maintenance activities.
2. The \$42K increase in Other Power Generation Expense is due to \$7K of NOX testing from CEM Services during the current year as well as other maintenance of the generators with H.O. Penn and Miratech.
3. The \$109K increase in Distribution expense is due to Netwatch quarterly expenditures of approximately \$45K due to the monitoring of the SCADA system to remain compliant, \$9K for an annual fee to MPower for the GIS Mapping, \$20K for the purchase of wire and cabling and the remainder due to timing of purchases for supplies and equipment. Also, underground lines repairs were performed by James Sullivan further attributing to the increase.
4. The \$49K increase in Maintenance expenses is due primarily to \$20K of call time in relation to maintenance activities. The remainder of the difference is due to maintenance from KTI Utility and other supply purchases.
5. The \$30K increase in Customer Accounts and Service is mainly due to the classification of Cogsdale's annual license fee of \$18K. In the prior year this amount was listed under admin costs – computer services versus customer accounts as in the current year. The additional increase is due to timing of purchases for supplies as well as a slight increase in call time.
6. The \$42K decrease in interest income is due to the fact that the prior Fiscal Year 2016 was the last year of interest income received from Cervalis as the loan was paid off by 06/30/2016..
7. The unrealized gain year-to-date of \$41K is representative of the cumulative year to date adjustments to bring our capital improvements investment account to market value.
8. The gain or loss from sale of fixed assets is \$2,500 of sale proceeds from the 2003 Form F-350 which was fully depreciated and \$1,600 of proceeds from the scrap of a transformer. The remainder of the difference is due to the sale of scrap.
9. The decrease in interest expense is due to the fact that the line of credit with Patriot Bank was paid off in July,-2016.

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)

			2017	June 2016	Industry Average (Bandwidth)
1)	<i>OPERATING RATIO</i>	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	99.72%	99.67%	95-105%
2)	<i>POWER SUPPLY EXPENSE RATIO</i>	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	58%	60%	65% - 70%
3)	<i>OUTSTANDING RECEIVABLES</i>	TOTAL DOLLAR AMOUNT OF CUSTOMER RECEIVABLES OVER 90 DAYS	\$40,053	\$40,546	
5)	<i>ACTUAL RATE OF RETURN ON RATE BASE</i>	AUTHORIZED BY STATE STATUTE	N/A	N/A	Varies by state
6)	<i>ELECTRIC CUSTOMERS PER EMPLOYEE</i>	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	350	319	200 - 500
7)	<i>ENERGY LOSS %</i>	TOTAL ENERGY LOSSES/TOTAL SOURCES OF ENERGY	3.85%	3.25%	2.5% - 6%
8)	<i>SYSTEM LOAD FACTOR</i>	TOTAL KWH SALES + TOTAL kwh ENERGY LOSSES/8760/ HIGHEST HOURLY PEAK DEMAND	55.2%	58.10%	50% - 65%

East Norwalk - PCA Calculation
Power Cost Adjustment Calculation
6 Month Rolling Average (starting January 2012)

		2016	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017	
		June	July	August	September	October	November	December	January	February	March	April	May	June	
Total Energy		kWh													
h	Grand Total Purchased Power Costs	\$	\$ 535,454	\$ 700,154	\$ 718,571	\$ 543,716	\$ 460,285	\$ 482,983	\$ 563,687	\$ 563,194	\$ 487,869	\$ 489,912	\$ 384,726	\$ 397,585	\$ 480,602
i	(Sum of current and previous 5 months)	\$	3,143,931	3,229,169	3,388,153	3,430,664	3,433,166	3,441,164	3,469,397	3,332,437	3,101,735	3,047,931	2,972,371	2,886,973	2,803,888
j	kWh's Purchased	kWh													
l	Total Purchased Power kWh Units	kWh	4,995,545	6,533,151	6,298,482	5,295,186	4,309,272	4,347,256	4,809,142	5,732,210	5,199,650	4,628,845	4,204,693	4,427,132	4,995,545
m	(Sum of current and previous 5 months)	kWh	29,188,075	29,989,016	31,087,848	31,754,189	31,858,768	31,778,892	31,592,489	30,791,548	29,692,716	29,026,375	28,921,796	29,001,672	29,188,075
n	Power Supply Costs @ Retail	\$	0.1137	0.1137	0.1151	0.1141	0.1138	0.1143	0.1160	0.1143	0.1103	0.1109	0.1085	0.1051	0.1014
o	Base Fuel Cost	\$	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958	0.0958
p	Loss Factor	%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
q	Calculated PCA	\$	0.0179	0.0179	0.0193	0.0183	0.0180	0.0185	0.0202	0.0185	0.0145	0.0151	0.0127	0.0093	0.0056
r	Actual PCA Implemented	\$	\$ 0.0270	\$ 0.0270	\$ 0.0270	\$ 0.0270	\$ 0.0270	\$ 0.0270	\$ 0.0270	\$ 0.0250	\$ 0.0250	\$ 0.0250	\$ 0.0230	\$ 0.0230	\$ 0.0230
s	Total System Retail Sales (kWh's)	kWh	5,127,075	5,691,198	5,986,748	6,625,943	4,266,088	4,450,569	4,618,003	5,796,522	5,028,127	4,489,846	5,076,518	3,621,793	4,737,321
t	Base PCA Revenue	\$	491,174	545,217	573,530	634,765	408,691	426,365	442,405	555,307	481,695	430,127	486,330	346,968	453,835
u	Fuel Factor Revenue	\$	138,431	153,662	161,642	178,900	115,184	120,165	124,686	144,913	125,703	112,246	116,760	83,301	108,958
v	Total Revenues through PCA	\$	629,605	698,879	735,173	813,666	523,876	546,530	567,091	700,220	607,398	542,373	603,090	430,269	562,794
w	Difference of Collection vs Expense	\$	\$ 194,197	\$ 192,923	\$ 209,524	\$ 479,474	\$ 543,064	\$ 606,611	\$ 610,015	\$ 747,041	\$ 866,569	\$ 919,030	\$ 1,137,395	\$ 1,170,079	\$ 1,252,270

Select Your Membership: *

☐ \$100.00 PER YEAR

General Members

- CREATE & MANAGE YOUR OWN WEB PAGE
- INCLUDE YOUR SOCIAL MEDIA FEEDS
- FULL ACCESS TO MEMBER BULLETIN BOARD

☐ \$300.00 PER YEAR

Flagship

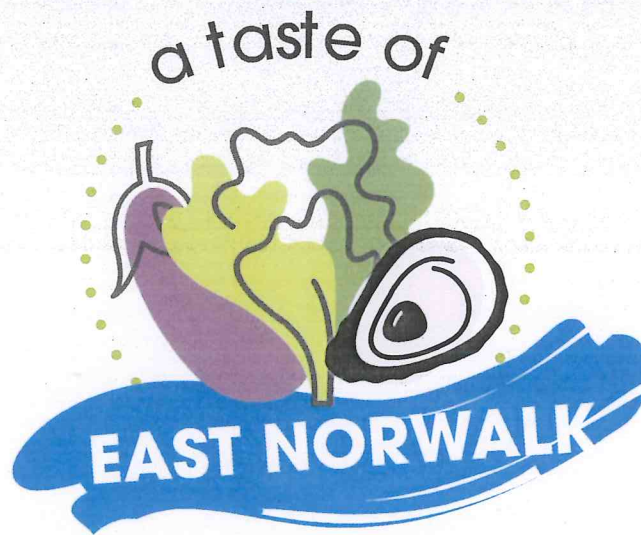
- ROTATING AD POSITION ON OUR HOME PAGE
- CREATE & MANAGE YOUR OWN WEB PAGE
- INCLUDE YOUR SOCIAL MEDIA FEEDS
- FULL ACCESS TO MEMBER BULLETIN BOARD

☐ \$2500.00 PER YEAR

Sponsor

- FIXED AD POSITION ON OUR HOME PAGE AND/OR OTHER PAGES ALL YEAR
- CREATE & MANAGE YOUR OWN WEB PAGE
- INCLUDE YOUR SOCIAL MEDIA FEEDS
- FULL ACCESS TO MEMBER BULLETIN BOARD

Come all Families & Friends TO THE FIRST ANNUAL



A Day of Food, Drink, Music & Fun!

When: Sunday, August 27th, 2017
2-7pm

Where: Longshore Pavilion at
Norwalk Cove

(Parking lot on right, just before entrance to Calf Pasture Beach)

Tickets \$25 \$30 at the door



Featuring
Glenbrook
Road

Directions, tickets & more available at

www.TasteOfEastNorwalk.org

It's time to rise up East Norwalk & support 06855!



Memorandum

Third Taxing District

Electric Department

To: TTD Commissioners

From: Ron Scofield – Interim General Manager



Date: July 24, 2017

Subject: 2017 Oyster Festival

Attached please find a copy of a letter from Norwalk Seaport Association requesting the district's participation in the 40th Annual Oyster Festival, which will be held at Veteran's Park in East Norwalk on September 8, 9 and 10.

If the Commission approves the request, we will perform the tasks listed in the memo by the Norwalk Seaport Association and will bill them accordingly.

My recommendation is to continue to participate as we have in the past in support of the Seaport Association's efforts.



July 12, 2017

Mr. James W. Smith, General Manager

Third Taxing District Electric Department

2 Second Street
East Norwalk, CT 06855

Dear Mr. Smith:

The purpose of this letter is to request support of the Norwalk Seaport Association's **40th Oyster Festival** to be held on Friday, Saturday and Sunday, September 8, 9 & 10, 2017 at Veterans Park in East Norwalk.

The setup process will begin on Monday, August 28 and the removal process will begin on Monday, September 11 with completion on or about September 15. Following are the anticipated tasks we request support from Third Taxing District Electric Department.

1. Connect power lines to temporary services (about 20) prior to event and disconnect them after the event.
2. Temporary installation, removal and/or adjustment of security lighting.
3. Deliver and install up to four (4) wood poles from the storage area and, after the festival, remove and transport them back to that property.

Please provide the hourly rates for the positions and equipment that will be necessary to accomplish those tasks.

The on-site contact this year will be Bill Solder; Jerry Toni, Business Manager, Norwalk Seaport Association, will be the contact for invoicing. Contact information is: Jerry (203-838-9444) or jerry.toni@seaport.org and Bill 203-856-8111 or bill.solder@seaport.org.

Thank you for your continuing support of the Norwalk Seaport Association Oyster Festival.

Sincerely,

Copy: Jerry Toni, Business Manager
Mike Reilly, Oyster Festival Chair

Norwalk Seaport Association, Inc., 132 Water Street, Norwalk, CT 06854
203-838-9444 (voice) 203-855-1017 (fax) www.seaport.org

**** COMMISSIONER _____ MOVED TO APPROVE TTD'S
PARTICIPATION IN THE 2017 ANNUAL OYSTER FESTIVAL AS PRESENTED.**

**** COMMISSIONER _____ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Memorandum Third Taxing District Electric Department

To: TTD Commissioners

From: Ron Scofield – Interim General Manager



Date: July 31, 2017

Subject: Engagement Letter – Hope and Hernandez

Attached please find a copy of a formal engagement letter from our auditors, Hope and Hernandez, outlining the scope of services they plan on providing with respect to the financial audit for FYE June 30, 2017.

The services and fee as outlined are consistent with what has been presented in the past.

The staff is working diligently with the auditors this year to complete the audit on a more timely basis and all indications are that we are heading in that direction.

My recommendation is to engage Hope and Hernandez to perform the audit for TTD for FYE June 30, 2017 for a cost not to exceed \$21,400.00 vs. the cost of last year of \$20,960.00

July 19, 2017

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District
2 Second Street
East Norwalk, CT 06855

COPY

**ENGAGEMENT LETTER FOR THE YEAR ENDING
JUNE 30, 2017**

Dear Mr. Smith:

We are pleased to confirm our understanding of the services we are to provide for the Third Taxing District of the City of Norwalk, Connecticut for the year ended June 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Third Taxing District of the City of Norwalk, Connecticut as of and for the year ending June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussions and analysis (MD&A), to supplement the Third Taxing District of the City of Norwalk, Connecticut's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Third Taxing District of the City of Norwalk, Connecticut's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussions and Analysis
2. Schedule of Changes in the District's Net Pension Liability and Related Ratios
3. Schedule of Net Pension Liability
4. Schedule of District Contributions - Pension Trust Fund.
5. Schedule of Funding Status and Funding Progress - Other Post-Employment Benefits
6. Schedule of District Contributions - Other Post-Employment Benefits

We have also been engaged to report on supplementary information other than RSI that accompanies the Third Taxing District of the City of Norwalk, Connecticut's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District

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reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of Utility Plant.
2. Schedule of Various Operating Expenses.
3. Schedule of Various Administrative Expenses.

Audit Objective

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Third Taxing District of the City of Norwalk, Connecticut's financial statements. Our report will be addressed to the Honorable Commissioners of the Third Taxing District of the City of Norwalk, Connecticut. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. We will advise you about appropriate accounting principles and their application and will prepare your financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. You agree to assume all management responsibilities for any non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District

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Management Responsibilities - Continued

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Third Taxing District of the City of Norwalk, Connecticut involving (1) management, (2) employees who have significant roles in internal control, and (3), others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our audit report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District

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Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters. If we incur legal fees as a result of our reliance on any false representations made by District representatives, the District agrees to reimburse us for all of our legal fees and related costs of defense.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District

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Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Third Taxing District City of Norwalk, Connecticut's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees and Other

We understand that your employees will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Hope & Hernandez, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hope & Hernandez, P.C.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a cognizant agency or its designee. The cognizant agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately September 1, 2017 and to issue our reports no later than October 31, 2017. Charles J Rubertino, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for the audit for the year ending June 30, 2017 will be \$21,400. Our fees for other special auditing, accounting services or consulting services will be billed at the rate of \$85 per hour plus expenses.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to the Third Taxing District of the City of Norwalk, Connecticut and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Mr. Ronald W. Scofield, Interim General Manager
Third Taxing District

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Very truly yours,

A handwritten signature in black ink, appearing to read 'Charles J. Rubertino', with a large loop at the beginning and a wavy line extending to the right.

Charles J. Rubertino, CPA, President

RESPONSE:

This letter correctly sets forth the understanding of the Third Taxing District of the City of Norwalk, Connecticut.

By: _____

Title: _____

**** COMMISSIONER _____ MOVED TO APPROVE THE ENGAGEMENT
LETTER PROPOSAL FROM HOPE & HERNANDEZ FOR FYE JUNE 30, 2017 IN THE
AMOUNT OF \$21,400.00**

**** COMMISSIONER _____ SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**